

THE OFFICE OF THE CHAPTER 13 TRUSTEE

EASTERN DISTRICT OF WASHINGTON

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ADMINISTERING BANKRUPTCY
TITLE 11, UNITED STATES CODE

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Creditor Website: www.13network.com

Debtor Website: www.ndc.org

February 6, 2015

To: Debtors and Debtors' Counsel

This letter is to inform you that the Executive Office of the United States Trustee (EOUST) has modified its interpretation of when a Chapter 13 Trustee is to take the statutorily allowed percentage fee. As you are aware, pursuant to 28 U.S.C. §586(e)(2), a standing trustee is to collect the fee from all payments received under a plan. That percentage fee is set by the EOUST in an amount intended to be sufficient to operate the office.

This change requires that Chapter 13 Trustees take and account for their percentage fee at the time of receipt of plan payments. Previously Chapter 13 Trustees had collected the fee at the time of disbursement. Our office is scheduled to implement this change on March 6, 2015.

While this is a major change for our office and our software system, there should be little to no change for the court, the debtors or their attorneys as our percentage fee will likely remain the same for the next few months. Only the timing of when the fee is taken has changed.

Debtors and their attorneys **will** notice two changes; first, they will see a trustee fee taken for all funds the trustee has on hand in each case on March 6, 2015. Following that date, as each payment is posted, the appropriate trustee fee will be automatically transferred out of the case. The change, while mainly a software and procedure issue, will now allow the creditors, debtors and their attorneys to see the actual funds available for disbursement to creditors on ndc.org as the Trustee fees will have already been paid. Note that this change will mean that fees will be taken on receipts in both confirmed and unconfirmed cases.

This change will **not** increase the fees that a debtor will be paying over the course of the bankruptcy nor should it have any impact on the remainder of the administration of the case. However, as it is a substantial change in timing, I did want to make you aware of this issue. This does not change the way you should calculate feasibility when filing a plan or how you determine requisite distribution to creditors.

Please direct any questions to the Chapter 13 Trustee or senior staff.



Daniel H. Brunner

Chapter 13 Trustee, EDW